and domestic availability of crude oil, self-sufficiency is not a policy objective. But appropriate measures to substantially accelerate exploratory activities for enhancing domestic oil and gas production are being taken. These include the following:—

(i) improving the recovery factor from existing major fields by implementing Enhanced Oil Recovery (EOR)/Improved Oil Recovery (IOR) schemes, in particular, Oil and Natural Gas Corporation Ltd. (ONGC) have taken up 15 field for this purpose at an estimated investment of Rs. 10,972 crore, which would also help in accelerating oil production from these fields;

(ii) increasing exploration efforts through the New Exploration Licensing Policy (NELP); Under the four rounds of NELP, Production Sharing, Contracts (PSCs) have been singed for 90 blocks. The Fifth Round of NELP has been declared open as of 4th January, 2005 to invite bids for 20 exploration blocks; Bids close on 31st May, 2005.

(iii) exploring new areas, especially deep waters and difficult frontier areas, as also the deeper layers of already producing fields; and

(iv) developing newly discovered field speedily and stepping up the use of new technologies for seismic surveys, work over, stimulation operations, drilling of wells etc. in producing areas;

Besides, in keeping with the objectives of the Energy Security section of the National Common Minimum Programme, ONGC Videsh Ltd. (OVL), as well as other national oil companies such as IOC, OIL and GAIL, have been pursuing the acquisition of equity oil abroad, as well as the acquisition abroad of oil and gas exploration acreages and producing properties. These companies have Paticipating Interests in oil and gas projects located in Vietnam, Sudan, Russia, Iraq, Myanmar, Libya, Syria, Australia, Ivory Coast, Qatar and Egypt.

(c) Does not arise.

Import of crude from Saudi Arabia on long term basis

2907. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Western countries are normally importing crude from Saudi

Arabia at lower price than the prices paid by Asian countries;

(b) whether India is proposing to have an option to choose the benchmark at which it would import the crude by entering into long term oil contracts;

(c) if so, the response of Saudi Arabian Government to the proposal; and

(d) the financial benefit to be accorded to Indian oil economy by this price stability and supply security formula?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Most West Asian countries including Saudi Arabia sell their crude oil at their Official Selling Price (OSP). The OSPs vary from destination to destination, largely because of differing degrees of competition in the market. There being well-organized petroleum and petroluem products markets in North America and West Europe, with West Texas Intermediate (WTI) and Brent (dated) as well-recognized markers, buyers in these markets often secure a discount not available in less well-organized markets. Yet, it is not always that OSPs in these markets are lower than elsewhere. Thus, for part of 2004-05, the OSP for Asian countries was higher than that of Europe and USA and for the rest of the year, it was lower.

(b) to (d) More than two-thirds of the imported crude in India comes from West Asian countries where prices are fixed at the Official Selling Price (OSP). The rest of the crude is procured on spot basis through tenders floated by PSUs. Thus, India does not have the option of choosing the marker crude. In view of this, the question of the development of an Asian Petroleum and Petroleum Products Market was discussed at the First Round Table of Asian Oil Ministers on Stability, Security and Sustainability through Regional Cooperation in New Delhi on 6 January, 2005. Saudi Arabia has supported the proposal for a study to be done on the development of the Asian Petroleum and Petroleum Products Market.